EVENT VIOLATION INSPECTOR'S STATEMENT MINERALS REGULATORYPROGAM

Company/Mine: Palladon Iron Corporation/ Iron Mountain Mine_ MN-2006-02-02(1) Violation # <u>1</u> of <u>1</u> Permit #: M/021/008

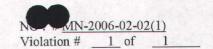
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1.	What type of event is applicable to the regulation cited? Refer to the DOGM reference list of event below and remember that the event is NOT the same as the violation. Mark and explain each event.		
	 a. Activity outside the approved permit area. b. Injury to the public (public safety). c. Damage to property. d. Conducting activities without appropriate approvals. e. Environmental harm. f. Water pollution. g. Loss of reclamation/revegetation potential. h. Reduced establishment, diverse and effective vegetative cover. i. No event occurred as a result of the violation. j. Other. 		
Explanation: approved to b	Palladon was operating within their approved permit area but not within the area be disturbed.		
2.	Has the event or damage occurred? <u>Yes</u> If yes, describe it. If no, what would cause it to occur and what is the probability of the event(s) occurring? (None, Unlikely, Likely).		
Explanation: bond.	Palladon had begun mining within an area that was not covered by the current		
3. 4.	Did any damage occur as a result of the violation? Yes If yes, describe the duration and extent of the damage or impact. How much damage may have occurred if the violation had not bee discovered by a DOGM inspector? Describe this potential damage and whether or not it would extend off		

the disturbed and/or permit area.

Event Violation Inspector's Statement

the need to purchase this commodity.



Explanation: The mining and stockpile areas had impacted approximately one acre. It is possible that mining could have impacted ~5 acres if the this project had been completed. There was no danger that this activity would have extended off the permit area.

B. <u>DEGI</u>	REE OF FAULT (Check the statements which apply to the violation and discuss).
	Was the violation not the fault of the operator (due to vandalism or an act of God), explain. Remember that the permittee is considered responsible for the actions of all persons working on the mine site.
Explanation:	
	Was the violation the result of not knowing about DOGM regulations, indifference to DOGM regulations or the result of lack of reasonable care.
with the perm	The operator was unfamiliar with the extent of the areas bonded to be disturbed nit area. Palladon had recently acquired this property from Geneva Iron and were construction activities.
	If the actual or potential environmental harm or harm to the public should have been evident to a careful operator, describe the situation and what, if anything, the operator did to correct it prior to being cited.
Explanation:	
	Was the operator in violation of a specific permit condition?
Explanation:	Palladon was operating outside the area bonded to be disturbed.
	Has DOGM cited the violation in the past? If so, give the dates and the type of warning or enforcement action taken.
Explanation:	
	as any economic benefit gained by the operator for failure to comply? Yes yes explain.

Explanation: Palladon was mining material for the purpose of making gravel which would negate

GOOD FAITH

1.	In order to receive good faith for compliance with an NO must have been abated before the abatement deadline. If describe how rapid compliance was achieved (give date) measures the operator took to comply as rapidly as possible.	you think this applies, and describe the		
Explanation:				
2.	Explain whether or not the operator had the necessary rescompliance.	ources on site to achieve		
	nation: Palladon presently have personnel on staff who conditional area disturbed and adhere to the terms and condit			
3. Was the submission of plans prior to physical activity required by this NOV / CO? NO If yes, explain.				
Explanation:				
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